

News Release

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Hon Kevin Foley

Treasurer

Hon Karlene Maywald

Minister for Water Security

Tuesday, December 23, 2008

LAND DEAL SIGNED FOR ADELAIDE DESALINATION PLANT

The State Government and Mobil have reached agreement on the sale of land at Port Stanvac – the site for Adelaide’s desalination plant.

A *Heads of Agreement* document was signed this morning, which sets out the terms and conditions for the land sale, with the formal purchase contract to be drawn up in 2009.

Treasurer Kevin Foley says SA Water can now commence construction at the 31-hectare site with a formal agreement in place.

“This is a significant milestone for our desalination project and means that early next year we can start preliminary site works, such as access roads and fences.

“The agreement is binding on both parties and the purchase of the land will be complete once subdivision of the land at Port Stanvac is complete.”

Minister for Water Security Karlene Maywald says the plant will occupy about 20 hectares of land at Mobil’s northern Port Stanvac site.

“Work on the plant’s design is continuing on schedule and we expect to be able to award the contract to the successful consortia for the plant’s construction in March 2009.

“The 50 gegalitre-plant will provide Adelaide with up to one-quarter of its annual water use and is a climate-independent source, providing us with the insurance we need against future climate variability.”

Mobil Refining Director Glenn Henson says the company has worked closely with SA Water to sign the agreement.

“Mobil is pleased to have been able to work cooperatively with SA Water to reach this agreement, which has required us to deal with a number of significant commercial issues within a very tight timeframe to meet SA Water's challenging project schedule,” Mr Henson says.

As well as the *Heads of Agreement*, SA Water today signed the contract of the joint venture by *McDonnell Dowell* and *Built Environs* who were the successful tenderer to design and construct the transfer pipeline from the Adelaide Desalination Plant to the Happy Valley Water Treatment Plant.

SA Water has also reached contractual agreements with ETSA to provide the necessary infrastructure for the plant’s power supply.